

PSC NEWS Missouri Public Service Commission

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NATURAL GAS RATES TO CHANGE FOR ATMOS ENERGY--NEELYVILLE DISTRICT CUSTOMERS UNDER SCHEDULED WINTER NATURAL GAS FILING

Jefferson City (January 3, 2003)---To reflect estimated changes in the cost of natural gas for the remaining winter season, Neelyville District natural gas customers of Atmos Energy Corporation will experience an increase in natural gas rates under a scheduled winter season filing reviewed and accepted by the Missouri Public Service Commission. This rate change will take effect on January 6, 2003.

A residential customer currently pays \$0.4816 per Ccf (100 cubic feet of gas). Under this filing, the rate will increase to \$0.5628 per Ccf, an increase of approximately 8 cents per Ccf. The effect on a typical residential heating customer for the remaining winter season (January to March) is an increase of approximately \$50 when compared to rates currently in effect.

Approximately 60% to 70% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review authority to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

Atmos Energy Corporation serves approximately 600 natural gas customers in the Missouri counties of Ripley and Butler.